

Message Text

UNCLASSIFIED

PAGE 01 ABU DH 02626 300851Z

22

ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 SSO-00 STR-04 L-03 /025 W

----- 074286

O 300809Z SEP 76

FM AMEMBASSY ABU DHABI

TO USDA WASHDC IMMEDIATE

USDOC WASHDC IMMEDIATE

INFO SECSTATE WASHDC IMMEDIATE 4992

UNCLAS ABU DHABI 2626

USDOC PLEASE PASS CAGNE

E.O. 11652: NA

TAGS: BDIS, EPAP, BPRO, BTIO

SUBJ: US CHICKEN FOR UNITED ARAB EMIRATES

1. "GULFCO", A LARGE FOOD WHOLESALER AND SUPERMARKET CHAIN IN THE UNITED ARAB EMIRATES, RECENTLY PURCHASED APPROXIMATELY FORTY METRIC TONS OF FROZEN CHICKEN FRYERS FROM A US FIRM, "WORLD WIDE TRADING COMPANY". CHICKEN IS DUE TO BE UNLOADED IN DUBAI HARBOR ON OCTOBER FIRST OR SECOND. A TRADE DISPUTE HAS ARISEN, AND WE REQUEST ASSISTANCE FROM WASHINGTON AGENCIES IN RESOLVING IT.

BACKGROUND:

2. "GULFCO", (GULF TRADING AND REFERIGERATING COMPANY, DUBAI, UAE) , AGREED LAST SPRING TO PURCHASE AN INITIAL ORDER OF ABOUT FIFTY TONS OF CHICKEN FRYERS FROM "WORLD WIDE TRADING CORPORATION", A SUBSIDIARY OF "DELTEC INTERNATIONAL LIMITED" (WORLD WIDE TRADING CORPORATION, 2801 PONCE DE LEON BOULEVARD, CORAL GABLES, FLORIDA 33134, TELEPHONE (305) 443-2351, MR. WALINSKY, VICE PRESIDENT.)

3. THE INITIAL ORDER WAS TO HAVE BEEN FOLLOWED, ACCORDING TO MV. ZABANEH, MANAGER OF GULFCO, BY FURTHER ORDERS TOTALING MORE THAN THREE MILLION DOLLARS WORTH OF US

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 ABU DH 02626 300851Z

CHICKENS.

4. THE ORIGINAL LETTER OF CREDIT WAS MADE OUT IN THE NAME OF WORLD WIDE. WORLD WIDE HAD NOT BEEN ABLE TO FILL THE ORDER FROM ITS OWN STOCKS BUT HAD OBTAINED THE CHICKEN ON THE COMMODITY MARKET AND HAD HAD A NEW YORK FIRM "LIME INTERNATIONAL" SHIP THE CHICKEN TO GULFCO. THEREFORE LETTER OF CREDIT WAS MADE TRANSFERRABLE BY GULFCO AT REQUEST OF WORLD WIDE.

5. ON JULY 1, 1976, LIME INTERNATIONAL CORPORATION (TEL. (212) 751-9044, MR. TUCKER, PRESIDENT) SHIPPED TWO CONSIGNMENTS OF CHICKEN TO GULFCO. LIME CLAIMED PAYMENT DUE FOR BOTH SHIPMENTS OF APPROXIMATELY 529 THOUSAND DOLLARS AND WAS PAID BY THE LETTER OF CREDIT.

6. UNFORTUNATELY LIME DID NOT SHIP THE SPECIFIED NUMBER OF CHICKENS PER BOX BUT RATHER SHIPPED APPROXIMATELY TWICE AS MANY. (GULFCO'S MANAGER, CLAIMS THAT THIS WILL LEAD TO GREATER LOSSES ON UNLOADING, AS LOCAL STEVEDORES WILL DROP MORE PACKAGES AS EACH PACKAGE WILL BE TWICE AS HEAVY.) NEVERTHELESS, UP TO ABOUT THREE WEEKS AGO EVERYONE WAS MORE OR LESS CONTENT, AND GULFCO'S BANK PAID ON THE LETTER OF CREDIT.

7. THEN HELLENIC LINES, THE SHIPPER, BY MISTAKE CHARGED LIME INTERNATIONAL FOR SHIPPING THE CHICKEN BASED ON THE NET RATHER THAN THE GROSS WEIGHT. HELLENIC INSTRUCTED THEIR AGENT IN DUBAI NOT TO ALLOW THE BIRDS TO BE UNLOADED UNLESS HELLENIC WAS PAID US DOLLARS 16,880.88 TO COVER THE SHIPPING COSTS OF THE 25.54 METRIC TONS DIFFERENCE BETWEEN THE NET AND THE GROSS WEIGHTS OF THE SHIPMENT. GULFCO FIRST HEARD OF THIS PROBLEM WHEN HELLENIC'S AGENT IN DUBAI CALLED GULFCO.

8. NEXT, LIME ASKED WORLD WIDE TO ASK GULFCO TO AUTHORIZE MANUFACTURERS HANOVER BANK IN NEW YORK TO PAY LIME INTERNATIONAL US DOLLAR 30,520.30. LIME CLAIMED THIS SUM BY MULTIPLYING THE DIFFERENCE BETWEEN THE GROSS AND NET WEIGHTS (25.54 METRIC TONS) BY THE AGREED CIF PRICE FOR THE CHICKEN (DOLLARS 1195.00 PER METRIC TON).
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 ABU DH 02626 300851Z

GULFCO FOUND THIS EXTRAORDINARY, ESPECIALLY AS ITS BANK HAD PAID ON THE LETTER OF CREDIT AT THE FULL CIF PRICE UPON WHICH THE PARTIES HAD AGREED.

9. ON SEPTEMBER 25, WE RECEIVED TELEX FROM WORLD WIDE INFORMING US THAT THEY HAD BEEN UNABLE TO GET IN TOUCH WITH MR. TUCKER OF LIME INTERNATIONAL. THEY ALSO SAID THAT THEY HAD BEEN CONFIDENTIALLY INFORMED BY HELLENIC

LINES THAT HELLENIC WOULD RELEASE THE CHICKEN AT LEAST
TWO DAYS BEFORE SHIPMENT'S UNLOADING DATE.

10. GULFCO MANAGER NOTED THAT OBTAINING PAPERS FOR CUSTOMS
CLEARANCE NORMALLY TAKES TWO DAYS OBSERVED THAT EVEN IF
HELLENIC DOES RELEASE THE GOODS, THERE WILL NOT BE MUCH
MARGIN FOR ERROR IN A TRANSACTION ALREADY FILLED WITH
MISTAKES.
END BACKGROUND

11. REQUEST USDA AND COMMERCE USE SOONEST BEST EFFORTS TO ASSURE
THAT HELLENIC WILL RELEASE GOODS IN SUFFICIENT TIME.
GULFCO UNWILLING TO PAY ANY ADDITIONAL COSTS AS IT HAS
ALREADY PAID FULL CIF AGREED PRICE.
THIS DEAL, IF CONCLUDED, MAY ALLOW US TO
BREAK INTO MARKET HERE. SO FAR, DESPITE THE PROBLEMS,
GULFCO IS STILL INTERESTED IN BUYING US CHICKEN.
PEALE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POULTRY, TRADE COMPLAINTS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976ABUDH02626
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760368-0842
From: ABU DHABI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t1976095/aaaaadkh.tel
Line Count: 133
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 26 FEB 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 FEB 2004 by MaustMC>; APPROVED <06 JAN 2005 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: US CHICKEN FOR UNITED ARAB EMIRATES
TAGS: BDIS, EPAP, BPRO, BTIO, TC, US
To: AGR
COM
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006